

COALITION SENATORS' ADDITIONAL COMMENTS

1.1 The Coalition is concerned about the practical application of some aspects of this legislation.

1.2 After listening to the views of many stakeholders and the views of the Department of Education, Employment and Workplace Relations (DEEWR) the Government has still not sufficiently justified the following provisions.

Notification of default

1.3 The Education Services for Overseas Students (ESOS) Act 2000, as it currently stands, requires providers to give notification of default within 14 days. While the Coalition acknowledges some of the problems DEEWR has outlined with the current timeframe [i.e. 14 days] we are not convinced of the need for a proposed new 24 hour deadline.

1.4 The Government report suggested the timeframe in the legislation be changed to three business days and the Coalition does not oppose this. We are, however, concerned that the timeframes may still be too short, could add significantly to the burden of operators and may be impossible to meet.

Pre-paid fees into designated accounts

1.5 The Coalition acknowledges the significantly diverse nature of the providers who will be affected by this change and has some concern about the 'one-size-fits-all' nature of the way in which student tuition fees may be dealt with.

1.6 The legislative change allows operators to collect, in most circumstances, only a proportion of upfront course costs and for those fees to be placed in a designated account.

1.7 Many providers feel this scheme may result in a destabilisation of their existing business model; on the other hand, DEEWR believes allowing providers to collect pre-paid fees 'encourages poor business practices.'

1.8 We acknowledge that for many operators DEEWR's view is the correct one, but believe the Department has underestimated the diversity of the sector. For that reason the Coalition would have preferred a legislative scheme in which riskier operators are subjected to more regulation than less riskier operators in order to reflect this diversity.

Implementation timeframes

1.9 The timeframes given by DEEWR for the implementation of this significant suite of legislation also seem very short. The Coalition would have preferred to have seen a longer lead time to allow some providers more time to adapt their business model.

Conclusion

The Coalition is concerned about the above aspects of this important legislation and will continue to monitor its implementation.

Senator Chris Back
Deputy Chair

Senator the Hon. Brett Mason